



State Board of Equalization

News Release

Vice Chair Michelle Steel

3rd District – Rolling Hills Estates

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**For Immediate Release
September 2, 2011**

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California Statewide Taxable Sales Estimate Up 9% in Second Quarter 2011 *Statewide Taxable Sales Rose 4.6% in Second Quarter 2010*

Michelle Steel, Vice Chair of the California State Board of Equalization (BOE), today announced that taxable sales in California totaled \$118.5 billion in the second quarter of 2010, up \$5.2 billion, a 4.6 percent increase from the same quarter the previous year. California taxable sales rose faster than personal income for the first time since 2005.

Additionally, more recent data indicate that a more pronounced recovery in taxable sales continues in second quarter 2011. BOE's estimate of statewide taxable sales for the second quarter of 2011, based on cash receipts, shows that taxable sales are estimated to have risen 9 percent in the second quarter of 2011 over the same period a year earlier.

In Southern California, the second quarter 2010 taxable sales report shows that regionally Southern California had some of the strongest growth in taxable sales. Overall, Southern California area taxable sales increased 4.6 percent, while taxable sales in cities in the Southern California area continued to lead all other regions in growth. Long Beach increased 16.1 percent, the strongest growth of all the state's major cities. In Anaheim, taxable sales increased 7.3 percent, Riverside was up 5.5 percent, San Diego increased 5 percent, and Santa Ana increased 2.1 percent.

All of the counties in the Third Equalization District experienced growth in second quarter of 2010 taxable sales, including the following counties: Imperial (up 12.8 percent), San Diego (up 6.1 percent), Riverside (up 4.4 percent), San Bernardino (up 4.2 percent), and taxable sales in Los Angeles County rose 3.6 percent in the second quarter of 2010 from the second quarter a year earlier.

In constant dollar terms, taxable sales increased 2.5 percent from the same quarter the previous year. The California Taxable Sales Deflator, which measures the rate of change of all taxable sales in the state, was up 2.0 percent. In comparison, the California Consumer Price Index, which measures the rate of change of common consumer goods, was up 1.8 percent.

California gasoline station sales in the second quarter of 2010 increased 15.5 percent, the largest gain of any major category. Most of this growth is attributable to an increase in the price of gasoline. The average price of gasoline at the pump increased 19.4 percent during the second quarter of 2010, while gasoline consumption for the same period increased only 0.9 percent.

Second quarter 2010 taxable sales by California motor vehicle and parts dealers increased 13.3 percent. Most of that gain is attributable to both new car dealers that increased 16.6 percent and used car dealers that increased 11.4 percent. Other motor vehicle dealer sales that include RVs, motorcycles, boats, and aircraft, decreased by 2.2 percent, this might possibly be due to Californians having less "disposable income" in the second quarter of 2010.

Taxable sales made by electronic and appliance store sales did well during the second quarter of 2010, growing 7.9 percent from a year ago, with most of that increase due to sales from computer and software stores, which grew at 13.4 percent during the second quarter of 2010 in California.

The second quarter of 2010 taxable sales report shows that sales from “all other outlets” (comprised primarily of manufacturing and wholesale businesses in California) grew at a sluggish 2.9 percent, buoyed by wholesale trade that grew 5.8 percent, and manufacturing that had 8.3 percent growth. Growth in this period was constrained mainly by real estate and rental leasing (that declined 1.6 percent) and construction (declining 0.7 percent).

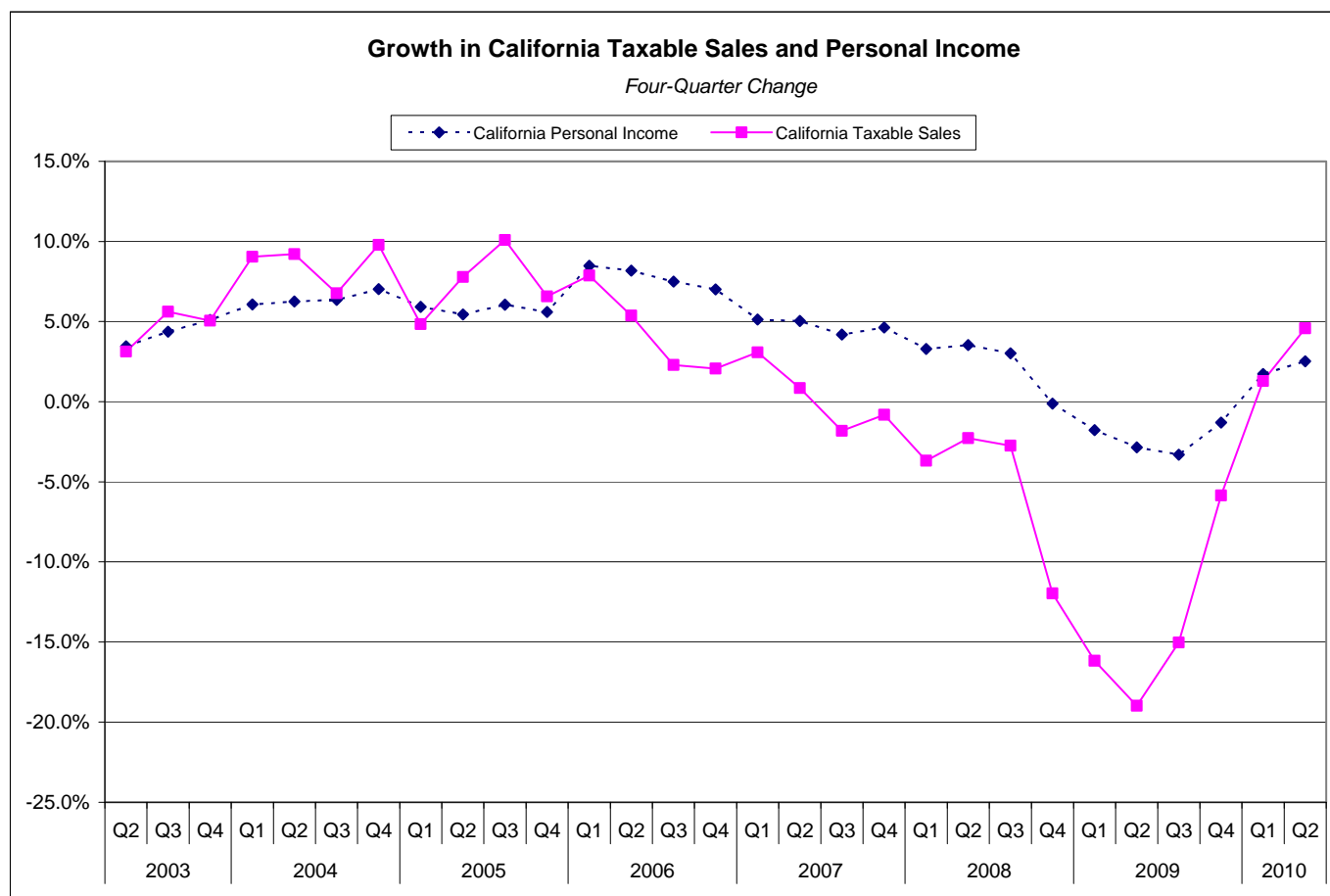
Furniture and home furnishings stores showed a modest growth in sales over the same quarter a year ago at 4.3 percent, mostly due to furniture store sales growing 6.7 percent, while the home furnishings segment grew only 0.8 percent in California during the second quarter of 2011.

General merchandise store sales, which represent the largest non-durable retail category, showed virtually no growth for the second quarter of 2010.

Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties. To view all taxable sales in California, visit: www.boe.ca.gov/news/tsalescont.htm.

To view the second quarter of 2010 taxable sales in California, visit www.boe.ca.gov/news/tsalescont10.htm.

Editor’s Note: The chart below compares Growth in California Taxable Sales and Personal Income.



Elected to the Board of Equalization in 2006 and re-elected in 2010, Michelle Steel serves as *Southern California’s elected taxpayer advocate*. In December 2007, Steel discovered the Board of Equalization had delayed the return of millions of dollars in security deposits owed to California businesses. Procedures were changed due to Steel’s decisive leadership. Following her investigation, the tax agency refunded tax security deposits to over 5,500 small businesses. To date, over \$100 million in security deposits have been returned to taxpayers.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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